

MIDQUARTER SNAPSHOT

Office Q3 2021 Phoenix



MARKET ACTIVITY

KEY TAKE AWAYS

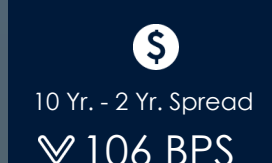
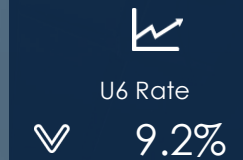
ECONOMIC OUTLOOK

MARKET

- **Vacancy Rate:** Overall vacancy decreased by 30 BPS since Q2 to 18.1%.
- **Net Absorption:** Is positive through the first half of Q3, registering 324K SF.
- **Office Supply:** Over 1M SF under construction.
- **Sales:** In Q3, the median price PSF is \$147.65. Volume has totaled \$208.3M thus far in Q3. On pace to slightly underperform Q2 levels.

ECONOMIC OUTLOOK

- **GDP:** The U.S. economy grew at a rate of 6.5% in Q2. Concerns over the "delta" variant have slightly weakened the growth trajectory, with forecasted increase of 6.0% in Q3.
- **Inflation:** Concerns over inflation grow louder as the latest CPI showed an increase of 5.28%. Due to this, the FOMC indicated rate hikes are likely to occur sooner than previously anticipated.
- **Infrastructure:** The Senate has passed a \$1T infrastructure package. The timeline of this legislation passing in the House is uncertain.



EXPERIENCE IN A CHANGING MARKET

@DAUMCOMMERCIAL



Although all information is furnished regarding for sale, rental or financing is from sources deemed reliable, such information has not been verified and no express representation is made nor is any to be implied as to the accuracy thereof, and it is submitted subject to errors, omissions, changes of price, rental or other conditions, prior sale, lease or financing, or withdrawal without notice.